

Moving Indiana Forward



Accomplishments

at the halfway point of the

2007 Legislative Session:

- ✓ Investing in Education
- ✓ Helping Working Families
- ✓ Reducing the Reliance on Property Taxes
- ✓ Creating Jobs, Promoting Economic Development
- ✓ Support for Hoosier Veterans
- ✓ More Open and Effective Government
- ✓ Returning Prayer to the Chamber

☒ Investing in Education

- **Properly Funding Indiana's K-12 Schools:** Education is the number one economic development program, and HB 1001 illustrates our commitment to investing in our children. The school formula provides 4% increases statewide over the next two years, fully funds the funding shortfall for 2007, and increases dollars for subsidized textbooks, remediation, and non-English speaking programs.
- **Making Full-Day Kindergarten a Reality:** House Democrats have been pushing for full-day kindergarten for years. With the phase-in contained in HB 1001, we will finally begin making optional full-day kindergarten available to every Hoosier family.

☒ Helping Working Families

- **Raising the Minimum Wage:** HB 1027 phases-in a minimum wage increase from the current \$5.15 per hour to \$7.50 on September 1st, 2008. Indiana's minimum wage is not adjusted for inflation, and the real value has declined steadily since the last increase was enacted in 1998.
- **Making College Education Affordable:** HB 1001 limits tuition increases at our public universities so that the cost of a college degree will not rise faster than the median income of Hoosier families. Students and their families will benefit from substantially increased levels of state financial aid in the budget, and this bill also eliminates the state Sales Tax on undergraduate and graduate textbooks.
- **Cutting the Sales Tax on Gasoline:** The Sales Tax is regressive, and Indiana is one of only seven states to apply this tax to motor fuel. Due to overall budget concerns, the legislation was scaled back from full elimination to a cap on the pump price that Sales Tax can be charged on—effectively \$2.25 per gallon. However, this will provide about \$40 M a year in tax relief and will help protect Hoosiers from the price spikes and gouging we have seen in the not-so-distant past.

☒ Reducing the Reliance on Property Taxes

- **Reversing the Impact of the Previous Budget:** The current budget boosted property taxes by over \$1 billion and capped state-paid relief. But our HB 1001 freezes the main local child welfare levy at 2005 levels and requires the state to pay for future growth. It also provides counties a one-time payment for debt incurred for previous expenses. Overall, this totals \$340 M in property tax relief over the biennium.

- **Meaningful Property Tax Reform:** While HB 1007 did not pass, it will help influence the direction of tax reform in 2007 should the Senate revive this issue. HB 1007 would have provided at least \$1 billion for property tax relief in 2008 and would have reduced levies by 16% statewide. It would have created new controls on local government construction while at the same time allowing cash-strapped units some additional revenue for rapidly-rising public safety expenses.

☒ Creating Jobs and Promoting Economic Development

- **Road Funding:** HB 1830 allocates \$30 million each year in FY 2008 and FY 2009 from the interest earned by the Major Moves Construction Fund (*not the Next Generation Trust Fund*) to the Local Road & Street Account for distribution to local governments. This will provide much-needed relief to local units to meet their unfunded road construction and repair needs. There would be a minimal impact on the Major Moves Construction Fund, as it is expected to earn \$221 million in interest in FY 2007 alone.
- **New Job Creation Initiatives:** The budget bill, HB 1001, contains new economic development programs to attract high-technology jobs and provide opportunities for Hoosier college grads to stay in Indiana. It provides \$40 million for Indiana University's Life Sciences Initiative and \$10 M for Purdue University's New Manufacturing Economy program. HB 1001 also incorporates a new program to help Indiana's small businesses meet the challenges of global commerce.

☒ Support for Hoosier Veterans

- **Easing the Burdens of Service:** HB 1538 contains many provisions that provide assistance to veterans, active-duty personnel, and their families. The bill provides a \$200 bonus adjustment for Hoosiers in Armed Forces and National Guard who have been serving overseas. The bill would also make active duty personnel stationed in Indiana eligible for resident tuition rates at our state universities. In addition, the budget bill provides \$900,000 to the Military Family Relief Fund to help families deal with the hardships of activation and deployment.

☒ More Open and Effective Government

- **Privatization Oversight:** HB 1009 allows for more scrutiny of state privatization deals but does not tie a governor's hand. It creates a new Privatization Review Committee to examine the proposals and make recommendations to the Governor. For future privatization contracts longer than two years in length and valued at more than \$100 M, full legislative approval would be required.

- **Moving the BMV under the Secretary of State:** HB 1262 streamlines the current organizational chart of state government by eliminating the unnecessary BMV Commission and makes the Secretary of State the sole Commissioner. The BMV is the point of contact at which nearly all Hoosiers interact with state government, and we need to bring it closer to the people and make it more accountable to voters.
- **More Open Government:** The doors to government will be opened even wider under HB 1129. This bill prohibits serial meetings, which are defined as a string of private gatherings for the purpose discussing official business without ever reaching a quorum. This loophole in the Open Door Law was brought to public attention when former IU President Myles Brand conducted private gatherings of university trustees to discuss terminating former basketball coach Bobby Knight.

☒ Returning Prayer to the Chamber